



November 2018

TO: Tax-Exempt Bond Property Owners and Property Managers
FROM: Asset Management & Compliance Division
SUBJECT: **Bond Compliance** Manual Revisions – #1-2018

The Asset Management & Compliance Division has published revisions to our Bond Compliance Manual in 2018. It has been a few years since the last revisions were made. Accordingly, every chapter of the Bond Manual has been updated in some way. We have also made minor grammatical and stylistic changes throughout. Consequently, we are publishing this list of revisions to the Manual to aid you in identifying major changes.

Please refer to the online version of our Bond Compliance Manual, available at <http://www.wshfc.org/managers/ManualBondIndex.htm>. The online version includes links to pertinent forms and regulations that make compliance information easily accessible. To be notified immediately when a compliance change has been published, sign up for our E-News Compliance newsletter at <http://www.wshfc.org/managers/BroadcastEmail.htm>.

NOTE: If your property was issued STATE Bonds, please consult your Regulatory Agreement and talk with your monitoring Portfolio Analyst if you have any questions about how to meet your property's Bond compliance requirements.

TABLE OF CONTENTS

Revisions: Updated to match changed sections/pagination in each chapter, lists attachments to certain chapters.

CHAPTER 1, INTRODUCTION

Revisions: Stylistic/grammatical adjustments made for consistency. Added note about who to contact if your property was issued State, rather than Federal, Bonds.

CHAPTER 2, GENERAL PROPERTY INFORMATION

Revisions: Stylistic/grammatical adjustments made for clarity. Deleted paragraph referring to income restrictions at properties financed prior to 1986.

CHAPTER 3, RENTAL PROCESS & REPORTING PROCEDURES

Revisions: Stylistic/grammatical adjustments made for clarity. Added paragraph stating that if your management company has specific rental-related criteria, such criteria must be detailed in your waitlist and eligibility policies and they must be available for review by the Commission and/or stakeholders. Updated retention schedule guidelines for 4% tax credit properties with Bonds. Clarified that residents who transfer to a new unit in the property only qualify the unit they are currently living in, not the vacant unit. Also added section allowing owners to qualify residents for a Bond income set-aside after they move in (if their income changes to make them eligible). Added clarification regarding how long the owner is required to continue reporting to the Commission.

CHAPTER 4, INCOME & ASSET CERTIFICATION

Revisions: This chapter was previously a duplication of the information in Chapter 5, Income and Asset Certification, in the Tax Credit Compliance Manual. To ensure fewer errors when updating our compliance information, the text of this chapter in the Bond Manual has been deleted. We have added directions to review Chapter 5 of the Tax Credit Manual to answer any Bond property calculation or verification questions.

CHAPTER 5, PROPERTY TRANSFERS

Revisions: Stylistic/grammatical adjustments made for clarity. Added paragraph noting that the Commission has the right to ask for capacity certifications from any proposed buyer of a Bond-financed property. Added paragraph stating that any property transfers submitted on or after November 15th of any year will not be completed until after January 1 of the following year.

Appendices:

APPENDIX E, INCOME & ASSET VERIFICATION SUMMARY CHART (PDF)

Revisions: Updated with latest verification source information (same as Verification Summary Chart in Tax Credit Compliance Manual, last updated July 2016).

APPENDIX F, HUD OCCUPANCY HANDBOOK 4350.3 (PDF)

Revisions: Replaced the Handbook (excerpts only), version Change 1, with version CHANGE 4, published by HUD in 2013.